MINUTES OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT VICTORVILLE, CALIFORNIA

AGENDA ITEM 2

DATE: May 23, 2016

RECOMMENDATION: Set date of June 27, 2016 to conduct a public hearing to consider the amendment of Regulation XIII – *New Source Review* and adoption of Rule 1600 - Prevention of Significant Deterioration and approval of California Environmental Quality Act (CEQA) documentation.

SUMMARY: This item officially sets the date for the mandatory public hearing to be held on the amendment of Regulation XIII – *New Source Review* and adoption of Rule 1600 - Prevention of Significant Deterioration. These rules are proposed for amendment and adoption to allow the Mojave Desert Air Quality Management District (MDAQMD) to officially be delegated authority to implement the Federal Prevention of Significant Deterioration (PSD) Program and to upgrade various provisions in the New Source Review (NSR) program pursuant to U.S. Environmental Protection Agency (USEPA) requirements.

CONFLICT OF INTEREST: None.

BACKGROUND: The Federal Clean Air Act (FCAA) requires that states/local air districts adopt a preconstruction review program for all new and modified stationary sources of pollutants for which their jurisdiction has been classified nonattainment for the Federal Ambient Air Quality Standards (FAAQS) (See 42 USC §7511a(b)). This program is commonly referred to as "New Source Review" or "Nonattainment New Source Review" (NSR or NANSR) and must comply with the applicable Federal implementing regulations which are primarily contained in 40 CFR 51.160 et seq. In addition, the California Clean Air Act (CCAA) requires local air districts to not only have a permitting program (Health & Safety Code §\$42300 et seq.) but also to develop appropriate plans to attain and maintain the State Ambient Air Quality Standards (SAAQS) (Health & Safety Code §\$40910 et seq.). The MDAQMD has complied with these two requirements in part through the adoption, amendment and implementation of Regulation XIII – New Source Review.

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The FCAA also requires that a preconstruction review be performed on certain large stationary sources of attainment air pollutants to ensure that degradation of the air quality does not occur in areas which are currently in compliance with the FAAQS (42 U.S.C §§7470 et seq.). This program is commonly referred to as "Prevention of Significant Deterioration" (PSD) and must also comply with applicable Federal implementing regulations which are primarily contained in 40 CFR 52.21. Historically this type of preconstruction review has been performed for many local air districts, the MDAQMD included, by the regional office of USEPA.

USEPA has recently been requesting and requiring local air districts to adopt rules and regulation such that they can implement the PSD preconstruction review process and be delegated the authority to issue PSD permits at the local level. At the same time USEPA is requiring that all local districts' rules involving NANSR provide public notice for a significant number of so called "minor" permitting activities. Furthermore, the Federal Operating Permit Program (Title V Program) contains provisions which would, if approved by USEPA, allow NANSR, PSD and Title V permits and permit amendments to be issued simultaneously. These provisions, called "Enhanced NSR," enable a delegated air district to cut down substantially on the notice and review time required to issue Federal Operating Permits and their amendments.

The proposed amendments to Regulation XIII – New Source Review and proposed new Rule 1600 – Prevention of Significant Deterioration are designed to allow USEPA to delegate PSD authority, adjust the noticing requirements of NANSR to comply with recent USEPA directives regarding the noticing of "minor" source permitting activities, and to allow the MDAQMD to request Enhanced NSR designation such that permitting actives for facilities subject to Title V may be performed concurrently. Additionally the proposed amendments and new rule adoption will clarify some provisions, provide appropriate cross-citations, and correct some minor discrepancies with USEPA requirements contained in the current rules.

A <u>Notice of Exemption</u>, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the proposed amendment of Regulation XIII – *New Source Review* and adoption of Rule 1600 – *Prevention of Significant Deterioration* pursuant to the requirements of CEQA.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(1) (FCAA §110(1)) requires that all SIP revisions be adopted after public notice and hearing.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about May 9, 2016.

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FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan DeSalvio; Deputy Executive Director, Mojave Desert Operations.

ACTION OF THE GOVERNING BOARD

APPROVED (Set Date)

Upon Motion by **BARB STANTON**, Seconded by **BARBARA RIORDAN**, as approved by the following roll call vote:

Ayes:

7 DECONINCK, CAMARGO, GRACEY, STANTON, RIORDAN,

COX, LEONE

Noes:

Absent:

6 BENOIT, LOVINGOOD, RUSS, RAMOS, COLE, WILLIAMS

Abstain: Vacant:

DEANNA HERNANDEZ, EXECUTIVE LEAD

BY

Dated: MAY 23, 2016